

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Peabody Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Appropriation for Fiscal Year 2017

DATE: November 16, 2015

Required Fiscal Year 2017 Appropriation: \$11,352,082

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2017 which commences July 1, 2016.

Attached please find summary information based on the present funding schedule for your system and the portion of the Fiscal Year 2017 appropriation to be paid by each of the governmental units within your system. The allocation by governmental unit was determined by Sherman Actuarial Services as part of their January 1, 2014 actuarial valuation.

If your System has a valuation currently in progress, you may submit a revised funding schedule to PERAC upon its completion. The current schedule is/was due to be updated by Fiscal Year 2017.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446 Extension 921.

Attachments

cc: Office of the Mayor

City Council c/o City Clerk





Peabody Retirement Board

Projected Appropriations

Fiscal Year 2017 - July 1, 2016 to June 30, 2017

Aggregate amount of appropriation: \$11,352,082

Fiscal Year	Estimated Cost of Benefits	Funding Schedule (Excluding ERI)	ERI	Total Appropriation
FY 2017	\$15,111,159	\$11,203,874	\$148,208	\$11,352,082
FY 2018	\$15,585,832	\$11,615,828	\$151,913	\$11,767,741
FY 2019	\$16,075,143	\$12,042,406	\$155,710	\$12,198,116
FY 2020	\$16,579,543	\$12,484,097	\$159,603	\$12,643,700
FY 2021	\$17,099,496	\$12,941,410	\$163,593	\$13,105,003

Pension Fund Allocation	Pension Reserve Fund Allocation	Transfer From PRF to PF
\$11,352,082	\$0	\$3,759,077
\$11,767,741	\$0	\$3,818,091
\$12,198,116	\$0	\$3,877,027
\$12,643,700	\$0	\$3,935,843
\$13,105,003	\$0	\$3,994,493

The Total Appropriation column shown above is in accordance with your current funding schedule and the scheduled payment date(s) in that schedule. Whenever payments are made after the scheduled date(s), the total appropriation should be revised to reflect interest at the rate assumed in the most recent actuarial valuation. Payments should be made before the end of the fiscal year.

For illustration, we have shown the amount to be transferred from the Pension Reserve Fund to the Pension Fund to meet the estimated Cost of Benefits for each year. If there are sufficient assets in the Pension Fund to meet the Cost of Benefits, this transfer is optional.

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Breakouts

	<u>Total</u>	City	Light	Housing Authority	<u>Water</u>	Sewer	Hospital	Brooksby <u>Farm</u>	Skating <u>Rink</u>	Golf Course
(1) Payroll of Active Participants Pecentage of Total Payroll	\$40,148,574 100.00%	\$31,957,075 79.60%	\$5,118,562 12.75%	\$972,545 2.42%	\$1,215,132 3.03%	\$240,308 0.60%	\$0 0.00%	\$172,704 0.43%	\$178,577 0.45%	\$293,671 0.73%
(2) Actuarial Accrued Liability	\$243,154,445	\$185,469,732	\$34,359,860	\$6,233,755	\$5,665,447	\$1,480,741	\$8,479,898	\$303,307	\$580,849	\$580,854
(3) Assets	\$120,689,272	\$92,057,569	\$17,054,455	\$3,094,113	\$2,812,034	\$734,963	\$4,208,982	\$150,546	\$288,303	\$288,306
(4) Unfunded Actuarial Accrued Liability	\$122,465,173	\$93,412,163	\$17,305,405	\$3,139,642	\$2,853,413	\$745,778	\$4,270,916	\$152,761	\$292,546	\$292,548
(5) Total Employer Contributions						•				
(a) ERI	\$131,645	\$77,703	\$30,042	\$7,981	\$5,049	\$10,870	\$0	\$0	\$0	\$0
(b) Remaining Amortizations	9,515,522	7,258,108	1,344,627	243,950	221,710	57,947	331,849	11,870	22,731	. 22,731
(c) Employer Normal Cost	1,395,064	1,235,756	131,732	. (7,076)	10,378	11,875	-	1,838	3,552	7,010
(d) Administrative Expenses	. 200,000	159,194	25,498	4,844	6,054	1,198	<u>0</u>	860	890	1,462
(e) Total Appropriation	\$11,242,231	\$8,730,761	\$1,531,899	\$249,699	\$243,191	\$81,890	\$331,849	\$14,568	\$27,173	\$31,203
Percent of Total Appropriation	100.00%	77.66%	13.63%	2.22%	2.16%	0.73%	2.95%	0.13%	0.24%	0.28%
(6) Fiscal 2015 Appropriation	\$10,396,673	\$7,960,732	\$1,472,169	\$227,687	\$251,599	\$75,896	\$345,170	\$11,436	\$22,873	\$29,111
Percent of Total Appropriation	100.00%	76.57%	14.16%	2.19%	2.42%	0.73%	3.32%	0.11%	0.22%	
(7) Fiscal 2016 Appropriation	\$10,950,662	\$8,504,284	\$1,492,575	\$243,105	\$236,534	\$79,940	\$323,045	\$14,236	\$26,282	\$30,662
Percent of Total Appropriation	100.00%	77.66%	13.63%	. 2.22%	2.16%	0.73%	2.95%	0.13%	0.24%	-
(8) Fiscal 2017 Appropriation	\$11,352,082	\$8,816,027	\$1,547,289	\$252,016	\$245,205	. \$82,870	\$334,886	\$14,758	\$27,245	\$31,786
Percent of Total Appropriation	100.00%	77.66%	13.63%	2,22% .	2.16%	0.73%	2.95%	0.13%	0.24%	0.28%
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